

## **FISCAL NOTE**

### **HB 3556 - SB 3705**

March 13, 2006

**SUMMARY OF BILL:** Requires the Bureau of TennCare to reimburse providers of emergency and non-emergency air and ground transportation services for enrollees at the same rate such services would be reimbursed by Medicare.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$7,000,000**

**Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$13,000,000**

Assumptions:

- The TennCare program managed care organizations (MCO) will no longer be able to negotiate the rates for emergency services with individual providers in a competitive market place.
- The MCOs will be forced to pay Medicare rates which will increase expenditures by one-third or 33% of what is currently being paid.
- TennCare transportation expenses are approximately \$60,000,000 annually. A 33% increase will increase expenditures by an amount that exceeds \$20,000,000 (\$7,253,000 in state funds and \$12,747,000 in federal funds).

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director